

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION
June 24, 2003**

28

FROM: EMIL A. MARZULLO, Director
Special Districts Department

**SUBJECT: COUNTY SERVICE AREA REVOLVING LOAN AND APPROPRIATION
TRANSFER FOR COUNTY SERVICE AREA 73 (ARROWBEAR LAKE)**

RECOMMENDATION: Acting as the governing body for County Service Area 73 (Arrowbear Lake) :

1. Adopt Resolution No. 03____, authorizing a loan from the County Service Area Revolving Loan Fund to County Service Area 73 in the amount of \$3,100 to be used to pay electric bills for streetlight usage.
2. Approve the following Fiscal Year 2002-03 appropriation and revenue budget adjustments (4 votes required):

Increase Services and Supplies	SOP 460 460 2895	\$3,100
Increase Other Revenue	SOP 460 460 9970	\$3,100

BACKGROUND INFORMATION: County Service Area 73 was formed for the purpose of paying energy costs for 30 streetlights in the Arrowbear area of San Bernardino County. In fiscal year 2002-03, the district received approximately \$2,579 in ad valorem property taxes to cover these costs. However, due to increased energy costs and state taxes, the district is unable to pay the full amount of the electric bills for this fiscal year within existing appropriations. The \$3,100 needs to be borrowed from the Revolving Loan Fund in order to finance the increased energy costs for this district for this fiscal year. These funds will be repaid with interest gradually over a ten (10) year period.

A future item will be presented to the Board to address the issue of streetlight funding deficiencies, as well as possible alternative solutions.

Approval of these actions will authorize a loan to CSA 73 from the County Service Area Revolving Loan Fund in the amount of \$3,100 to finance this increased energy cost for this fiscal year and authorize appropriation adjustments necessary to recommend payment of remaining energy bills in Fiscal Year 2002-03. A loan payment of \$400 per year will be made each fiscal year, and it is anticipated the loan will be fully repaid in ten years (FY 2012-2013).

Record of Action of the Board of Supervisors

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**County Service Area Revolving Loan and Appropriation Transfer for
County Service Area 73 (Arrowbear Lake)**

June 24, 2003

Page 2

REVIEW BY OTHERS: This item has been reviewed by County Counsel (L. Thomas Krahelski) on June 9, 2003, and the County Administrative office (Wayne Thies, Administrative Analyst) on June 13, 2003.

FINANCIAL IMPACT: These actions establish a \$3,100 loan from the County Service Area Revolving Loan Fund, and provide for budget adjustments to accommodate energy bill payments. Loan repayments will be made from the district operating budget (SOP-460) and sufficient funds are available in the County Service Area Revolving Loan Fund to lend to the district.

SUPERVISORIAL DISTRICT(S): Third

PRESENTER: Emil A. Marzullo 387-5950